

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

Annual Financial Statements

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/27/11

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## **Independent Auditor's Report**

To the Chief Judge and Judges  
of the Twenty-Second Judicial District Court  
Washington, St. Tammany Parishes, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Court (the Court), as of and for the year ended December 31, 2010, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

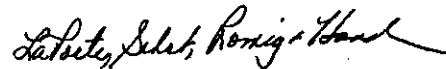
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Twenty-Second Judicial District Court as of December 31, 2010, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2011, on our consideration of the Twenty-Second Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The budgetary comparison information on pages 19 through 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we do not express an opinion on it.



A Professional Accounting Corporation

May 25, 2011

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Statement of Net Assets**  
**December 31, 2010**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 5,450,598
Receivables	233,991
Capital Assets (Net of Accumulated Depreciation)	<u>222,331</u>
<b>Total Assets</b>	<u>5,906,920</u>
<b>Liabilities</b>	
Accounts Payable	<u>268,211</u>
<b>Total Liabilities</b>	<u>268,211</u>
<b>Net Assets</b>	
Invested in Capital Assets	222,331
Unrestricted	<u>5,416,378</u>
<b>Total Net Assets</b>	<u><u>\$ 5,638,709</u></u>

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

	<b>Governmental Activities</b>
<b>Program Expenses</b>	
Public Safety - Court System	
Salaries and Related Benefits	\$ 1,935,089
Contractual Services	1,761,712
Materials and Supplies	148,887
Lodging and Registration Fees	103,033
Grant Expense	81,779
Intergovernmental Support	22,000
Depreciation	48,802
<b>Total Program Expenses</b>	<b>4,101,302</b>
<b>Program Revenues</b>	
Charges for Services	470,921
Operating Grants and Contributions	1,520,540
<b>Net Program Expense</b>	<b>2,109,841</b>
<b>General Revenues and Special Items</b>	
Judicial Fees (Excluding Drug Screen Fees)	1,649,703
Court Revenues	401,395
Other	160,432
Interest Income	11,150
Special Item - Loss on Sale of Fixed Assets	(2,711)
<b>Total General Revenues and Special Items</b>	<b>2,219,969</b>
<b>Increase in Net Assets</b>	<b>110,128</b>
<b>Net Assets, Beginning of Year</b>	<b>5,528,581</b>
<b>Net Assets, End of Year</b>	<b>\$ 5,638,709</b>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**



**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Balance Sheet**  
**Governmental Funds (Special Revenue)**  
**December 31, 2010**

	Judicial Expense Fund	Juvenile Drug Court Program Fund	Child Support Fund	Adult Drug Court Program Fund	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 4,618,573	\$ 33,234	\$ 432,222	\$ 366,569	\$ 5,450,598
Receivables	66,734	10,983	56,181	100,093	233,991
Due from Other Court Funds	12,404	-	2,484	18,443	33,331
<b>Total Assets</b>	<b>\$ 4,697,711</b>	<b>\$ 44,217</b>	<b>\$ 490,887</b>	<b>\$ 485,105</b>	<b>\$ 5,717,920</b>
<b>Liabilities</b>					
Accounts Payable	\$ 102,762	\$ 9,898	\$ 43,373	\$ 112,178	\$ 268,211
Due to Other Court Funds	1,351	31,174	806	-	33,331
<b>Total Liabilities</b>	<b>104,113</b>	<b>41,072</b>	<b>44,179</b>	<b>112,178</b>	<b>301,542</b>
<b>Fund Balances</b>					
Unreserved - Undesignated	4,228,287	-	272,895	-	4,501,182
Unreserved - Designated	365,311	3,145	173,813	372,927	915,196
<b>Total Fund Balances</b>	<b>4,593,598</b>	<b>3,145</b>	<b>446,708</b>	<b>372,927</b>	<b>5,416,378</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,697,711</b>	<b>\$ 44,217</b>	<b>\$ 490,887</b>	<b>\$ 485,105</b>	

Amounts reported for governmental activities in the  
statement of net assets are different because:

Capital assets used in governmental activities  
are not financial resources and, therefore,  
are not reported in the funds.

**Net Assets of Governmental Activities**

222,331  
\$ 5,638,709

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds (Special Revenue)**  
**For the Year Ended December 31, 2010**

	Judicial Expense Fund	Juvenile Drug Court Program Fund	Child Support Fund	Adult Drug Court Program Fund	Total Governmental Funds
<b>Revenues</b>					
Court Revenues					
Court Cost	\$ 168,248	\$ -	\$ -	\$ 23,742	\$ 191,990
Civil Cases	149,190	-	-	-	149,190
Bail Bond Fees	60,215	-	-	-	60,215
Judicial Fees					
Probation Fees	1,032,942	-	-	-	1,032,942
Court Ordered Payments	94,239	-	522,522	-	616,761
Drug Screens	179,129	-	-	291,792	470,921
Other Revenues					
State Grants	-	14,768	-	1,179,846	1,194,614
Federal Grants	-	141,619	-	184,307	325,926
Other Revenues	154,973	318	-	5,141	160,432
Interest Earned	9,313	-	1,219	618	11,150
<b>Total Revenues</b>	<b>1,848,249</b>	<b>156,705</b>	<b>523,741</b>	<b>1,685,446</b>	<b>4,214,141</b>
<b>Expenditures</b>					
Public Safety - Court System					
Salaries and Related Benefits	814,665	44,648	554,060	521,716	1,935,089
Contractual Services					
Evaluation/Testing/Treatment	45,510	109,090	-	1,027,994	1,182,594
Deputy Detail	19,305	-	-	74,171	93,476
Youth Service Bureau/CASA	84,736	-	-	-	84,736
22nd JDC Public Defender	-	-	75,000	-	75,000
Drug Screens	72,637	-	-	-	72,637
Other Expenses	17,673	-	5,309	36,885	59,867
Rent	-	-	-	52,800	52,800
Insurance	29,982	-	-	8,551	38,533
Contract Labor	35,757	-	713	-	36,470
Legal and Professional Fees	16,179	-	4,179	11,542	31,900
Utilities	1,845	-	-	19,769	21,614
Court Reporters	12,085	-	-	-	12,085
Materials and Supplies	114,960	-	8,063	25,864	148,887
Lodging and Registration Fees	34,168	-	9,678	59,187	103,033
Grant Expense	-	-	-	81,779	81,779
Capital Outlays	53,561	-	1,429	4,168	59,158
Intergovernmental Support	22,000	-	-	-	22,000
<b>Total Expenditures</b>	<b>1,375,063</b>	<b>153,738</b>	<b>658,431</b>	<b>1,924,426</b>	<b>4,111,658</b>
<b>Net Change in Fund Balances</b>	<b>473,186</b>	<b>2,967</b>	<b>(134,690)</b>	<b>(238,980)</b>	<b>102,483</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,120,412</b>	<b>178</b>	<b>581,398</b>	<b>611,907</b>	<b>5,313,895</b>
<b>Fund Balances, End of Year</b>	<b>\$ 4,593,598</b>	<b>\$ 3,145</b>	<b>\$ 446,708</b>	<b>\$ 372,927</b>	<b>\$ 5,416,378</b>

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2010**

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Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 102,483
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	10,356
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In the Statement of Activities, only the loss on the sale of the fixed assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Since no proceeds were received from the disposition, the change in net assets differs from the change in fund balance by the loss on the sale of fixed assets.

	<u>(2,711)</u>
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<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 110,128</u></b>
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The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

**Reporting Entity**

The basic financial statements of the Twenty-Second Judicial District Court (the Court) include the Judicial Expense Special Revenue Fund, the Child Support Special Revenue Fund, the Adult Drug Court Program Special Revenue Fund, and the Juvenile Drug Court Program Special Revenue Fund. The Criminal Court Fund (essentially the general fund) is included in the basic financial statements of St. Tammany Parish because the Parish is responsible for any deficiency in the fund.

**Basis of Presentation**

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial principles.

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Court. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by the program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds.

**Fund Financial Statements**

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Court or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

***Fund Financial Statements (Continued)***

The Court reports the following major governmental funds:

**Judicial Expense Fund**

The Judicial Expense Fund of the Court was established under the provisions of the Louisiana Legislative Act 553 in 1980. The Act specifies that the clerks of courts and the sheriffs of the Parishes of St. Tammany and Washington shall collect a fee, limited by laws as to the amount, for each civil suit and criminal case filed within the Court's jurisdiction. The clerks of court and the sheriffs of the Parishes of St. Tammany and Washington shall place all sums collected or received under this Act in a separate account to be designated as the Judicial Expense Fund for the Court in depositories to be designated by the Judges of the Court, en banc.

The Judges, en banc, shall have control over the fund and all disbursements made thereafter. They shall cause to be conducted annually an audit of the fund and the books and accounts relating thereto, and shall file the same with the Office of the Louisiana Legislative Auditor, where it shall be available for public inspection.

In general, the Judicial Expense Fund was established and may be used for any purpose or purposes connected with, incidental to, or related to the proper administration or function of the Court or the offices of the individual Judges and is in addition to any and all other funds, salaries, expenses, or other monies that are now or hereafter provided, authorized or established by law for any of the aforementioned purposes. No salary shall be paid from the Judicial Expense Fund to any of the Judges of the Twenty-Second Judicial District, except as may be paid for administering the said funds, and then only after prior legislative approval.

**Child Support Fund**

The Child Support Fund of the Court was established under the provisions of Louisiana Revised Statutes 46:236.5, effective January 1, 1989. Under these statutes, the Court has implemented an expedited process for the establishment, modification and enforcement of support obligations by authorizing and directing the Judge presiding over the Family Section (Child Support) of the Court to appoint one or more Hearing Officers, who shall serve at his pleasure, to hear support and support-related matters.

The fund is authorized to assess a fee of five (5) percent on all support obligations made executory on or after January 1, 1989, as a result of a hearing on a rule to enforce support.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

***Fund Financial Statements (Continued)***

**Adult Drug Court Program Fund**

The Adult Drug Court Program Fund was established in 1999. The Adult Drug Court program is designed to be a prosecution diversion program for nonviolent offenders of illegal drug possession. The Adult Drug Court program provides counseling to participants; however, the participants agree to random drug testing to monitor their use of illegal drugs.

**Juvenile Drug Court Program Fund**

The Court began administering funds for the Juvenile Drug Court in July 2003. This program is designed to implement the same policies as the Adult Drug Court Program, except the targeted participants are juveniles. Funding for the Juvenile Drug Court Program Fund is provided through a direct grant from the Department of Health and Human Services, a grant passed through the Louisiana Commission on Law Enforcement, and a grant passed through the State Supreme Court.

**Measurement Focus/Basis of Accounting**

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Budget Policies**

The Court has adopted annual budgets for its Judicial Expense Fund, Child Support Fund, Juvenile Drug Court Program Fund, and Adult Drug Court Program Fund on a basis consistent with generally accepted accounting principles for all governmental funds. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Court. Budgeted amounts in the accompanying financial statements include all amendments. The Court does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

**Cash, Cash Equivalents and Investments**

Cash includes all amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Court may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Capital Assets**

All capital assets of the Court are recorded at historical cost and are reported on the government-wide financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the related capital assets, as applicable. It is the Court's policy to capitalize fixed assets over \$1,000. The following estimated useful lives and methods are used to compute depreciation:

Furniture, Fixtures and Equipment	3 - 10 Years	Straight-Line
Improvements and Renovations	20 Years	Straight-Line

Depreciation expense amounted to \$48,802 for the year ended December 31, 2010.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

***Vacation Leave***

The Judges of the Court establish vacation policies for their respective employees. All other employees generally earn vacation according to the following length of employment:

One Year of Employment	-	One Week Vacation
Two Years of Employment	-	Two Weeks Vacation
Five Years of Employment	-	Three Weeks Vacation
Ten Years of Employment	-	Four Weeks Vacation

In general, unused vacation time cannot be carried over from one calendar year to the next; however, effective September 2000, the vacation policy was amended, allowing certain administrative personnel to carryover their unused vacation time. The amount of carryover resulting from this policy change, however, is considered to be immaterial to the financial statements taken as a whole. Upon termination, unused vacation time is paid to all employees in good standing with the Court.

***Sick Leave***

Employees are allocated ten days of sick leave each year and are allowed to carry-forward unused sick leave days; however, accumulated sick time is not paid upon termination.

**Equity Classifications**

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. *Invested in capital assets* - consist of capital assets including restricted assets, net of accumulated depreciation.
- b. *Restricted net assets* - consist of net assets with constraints placed on their use either by external groups or law.
- c. *Unrestricted net assets* - consist of all other net assets that do not meet the definition of "restricted" or "invested in capital assets."

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Court's policy is to apply restricted net assets first.

In the fund financial statements, governmental funds report reservations of fund balances for amounts not available for appropriation or that are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.



**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Note 2. Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents balances (book balances) at December 31, 2010:

Demand Deposits	<u>\$ 5,450,598</u>
<b>Total Cash</b>	<u><b>\$ 5,450,598</b></u>

These deposits are stated at cost, which approximates market.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2010, \$5,298,966 of the Court's total bank balance of \$6,601,934 was exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank.

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

**Note 3. Receivables**

The receivables at December 31, 2010, are summarized below:

<b>Class of Receivable</b>	<b>Judicial Expense Fund</b>	<b>Juvenile Drug Court Program Fund</b>	<b>Child Support Fund</b>	<b>Adult Drug Court Program Fund</b>	<b>Total</b>
Accounts Receivable	\$ 28,543	\$ -	\$ -	\$ 1,997	\$ 30,540
Intergovernmental					
Grants	-	10,983	12,768	98,096	121,847
Court Costs and Fees	38,191	-	43,413	-	81,604
<b>Total</b>	<b>\$ 66,734</b>	<b>\$ 10,983</b>	<b>\$ 56,181</b>	<b>\$ 100,093</b>	<b>\$ 233,991</b>

**Note 4. Capital Assets**

Capital asset activity for the year ended December 31, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital Assets Being Depreciated</b>				
Computer Equipment	\$ 150,216	\$ 27,538	\$ (4,600)	\$ 173,154
Office Equipment	109,423	29,075	(12,088)	126,410
Furniture and Fixtures	38,938	2,545	(5,135)	36,348
Renovations	60,289	-	-	60,289
<b>Total Capital Assets Being Depreciated</b>	<b>358,866</b>	<b>59,158</b>	<b>(21,823)</b>	<b>396,201</b>
<b>Less: Accumulated Depreciation</b>				
Computer Equipment	(61,577)	(20,759)	4,600	(77,736)
Office Equipment	(42,156)	(21,215)	9,891	(53,480)
Furniture and Fixtures	(19,345)	(3,815)	4,621	(18,539)
Renovations	(21,102)	(3,013)	-	(24,115)
<b>Total Accumulated Depreciation</b>	<b>(144,180)</b>	<b>(48,802)</b>	<b>19,112</b>	<b>(173,870)</b>
<b>Capital Assets, Net</b>	<b>\$ 214,686</b>	<b>\$ 10,356</b>	<b>\$ (2,711)</b>	<b>\$ 222,331</b>

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**

**Notes to Financial Statements**

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**Note 5. Pension Plans**

The employees of the Court belong to the Parochial Employees Retirement System of Louisiana (the Plan). The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Contributions to the Plan are made by St. Tammany Parish Government and the Washington Parish Police Jury. The Court reimburses the Parish and the Police Jury for amounts in excess of what they are required to pay.

**Note 6. Operating Lease**

The Court leases an office building in Covington, Louisiana, and office space in Franklinton, Louisiana, and Slidell, Louisiana. These leases have been classified as operating leases and, as such, rental payments have been recorded as an operating expenditure. Total rent expense for the year ended December 31, 2010, was \$52,800. Future minimum lease payments are as follows:

2011	\$ 47,100
2012	37,200
2013	<u>18,600</u>
<b>Total</b>	<b><u>\$ 102,900</u></b>

The office space rentals in Franklinton, Louisiana, and Slidell, Louisiana, are rented on a monthly basis without a definitive lease term; therefore, they are not included in the long-term lease disclosure above.

**Note 7. Commitments**

As authorized by Louisiana Revised Statute 46:236.5, and as ordered by the Judges of the Court, the Child Support Fund is required to pay the 22<sup>nd</sup> Judicial District Court Public Defender's Office \$6,250 per month. These payments shall continue until otherwise terminated by the Judges of the Court.

**Note 8. Risk Management**

The Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Court has obtained liability insurance for the Judges and Hearing Officers and other supporting staff, as well as for employee dishonesty. Losses associated with the destruction or damage to assets are covered through St. Tammany Parish.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**Judicial Expense Fund**  
**For the Year Ended December 31, 2010**

	<b>Budgetary Amounts</b>		<b>Actual -</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>Revenues</b>				
Court Revenues				
Court Cost	\$ 116,000	\$ 149,970	\$ 168,248	\$ 18,278
Civil Cases	140,000	140,000	149,190	9,190
Bail Bond Fees	65,000	60,000	60,215	215
Judicial Fees				
Probation Fees	950,000	1,020,000	1,032,942	12,942
Court Ordered Payments	95,000	95,000	94,239	(761)
Drug Screens	234,000	181,500	179,129	(2,371)
Other Revenues				
Other Revenues	117,794	152,794	154,973	2,179
Interest Earned	15,000	9,500	9,313	(187)
<b>Total Revenues</b>	<b>1,732,794</b>	<b>1,808,764</b>	<b>1,848,249</b>	<b>39,485</b>
<b>Expenditures</b>				
Public Safety - Court System				
Salaries and Related Benefits	866,000	836,000	814,665	21,335
Contractual Services				
Evaluation/Testing/Treatment	49,200	49,200	45,510	3,690
Deputy Detail	22,000	22,000	19,305	2,695
Youth Service Bureau/CASA	75,794	84,764	84,736	28
Drug Screens	79,000	78,000	72,637	5,363
Other Expenses	12,500	20,500	17,673	2,827
Insurance	32,500	32,500	29,982	2,518
Contract Labor	52,500	45,000	35,757	9,243
Legal and Professional Fees	20,750	20,750	16,179	4,571
Utilities	4,000	2,500	1,845	655
Court Reporters	30,000	16,000	12,085	3,915
Materials and Supplies	145,000	123,000	114,960	8,040
Lodging and Registration Fees	50,000	40,000	34,168	5,832
Capital Outlays	50,000	50,000	53,561	(3,561)
Intergovernmental Support	22,000	22,000	22,000	-
<b>Total Expenditures</b>	<b>1,511,244</b>	<b>1,442,214</b>	<b>1,375,063</b>	<b>67,151</b>
<b>Net Change in Fund Balance</b>	<b>\$ 221,550</b>	<b>\$ 366,550</b>	<b>473,186</b>	<b>\$ 106,636</b>
<b>Fund Balance, Beginning of Year</b>			<b>4,120,412</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 4,593,598</b>	

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**Juvenile Drug Court Program Fund**  
**For the Year Ended December 31, 2010**

	<b>Budgetary Amounts</b>		<b>Actual -</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>Revenues</b>				
Other Revenues				
State Grants	\$ -	\$ -	\$ 14,768	14,768
Federal Grants	156,200	156,200	141,619	(14,581)
Other Revenues	-	-	318	318
<b>Total Revenues</b>	<b>156,200</b>	<b>156,200</b>	<b>156,705</b>	<b>505</b>
<b>Expenditures</b>				
Public Safety - Court System				
Salaries and Related Benefits	63,281	54,049	44,648	9,401
Contractual Services				
Evaluation/Testing/Treatment	94,200	112,000	109,090	2,910
<b>Total Expenditures</b>	<b>157,481</b>	<b>166,049</b>	<b>153,738</b>	<b>12,311</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,281)</b>	<b>\$ (9,849)</b>	<b>2,967</b>	<b>\$ 12,816</b>
<b>Fund Balance, Beginning of Year</b>			<b>178</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 3,145</b>	

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**Child Support Fund**  
**For the Year Ended December 31, 2010**

	<b>Budgetary Amounts</b>		<b>Actual -</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>Revenues</b>				
Judicial Fees				
Court Ordered Payments	\$ 490,000	\$ 524,000	\$ 522,522	\$ (1,478)
Other Revenues				
Interest Earned	5,000	1,200	1,219	19
<b>Total Revenues</b>	<b>495,000</b>	<b>525,200</b>	<b>523,741</b>	<b>(1,459)</b>
<b>Expenditures</b>				
Public Safety - Court System				
Salaries and Related Benefits	576,550	554,070	554,060	10
Contractual Services				
22nd JDC Public Defender	75,000	75,000	75,000	-
Other Expenses	7,700	5,800	5,309	491
Contract Labor	1,000	1,000	713	287
Legal and Professional Fees	6,000	6,000	4,179	1,821
Court Reporters	1,000	1,000	-	1,000
Materials and Supplies	14,000	9,500	8,063	1,437
Lodging and Registration Fees	14,000	12,000	9,678	2,322
Capital Outlays	7,500	6,000	1,429	4,571
<b>Total Expenditures</b>	<b>702,750</b>	<b>670,370</b>	<b>658,431</b>	<b>11,939</b>
<b>Net Change in Fund Balance</b>	<b>\$ (207,750)</b>	<b>\$ (145,170)</b>	<b>(134,690)</b>	<b>\$ 10,480</b>
<b>Fund Balance, Beginning of Year</b>			<b>581,398</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 446,708</b>	

**TWENTY-SECOND JUDICIAL DISTRICT COURT**  
**Washington, St. Tammany Parishes, Louisiana**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**Adult Drug Court Program Fund**  
**For the Year Ended December 31, 2010**

	<b>Budgetary Amounts</b>		<b>Actual -</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>Revenues</b>				
Court Revenues				
Court Cost	\$ 40,000	\$ 30,000	\$ 23,742	\$ (6,258)
Judicial Fees				
Drug Screens	360,000	300,000	291,792	(8,208)
Other Revenues				
State Grants	1,128,930	1,137,690	1,179,846	42,156
Federal Grants	275,300	286,800	184,307	(102,493)
Other Revenue	1,000	9,425	5,141	(4,284)
Interest Earned	5,000	1,000	618	(382)
<b>Total Revenues</b>	<b>1,810,230</b>	<b>1,764,915</b>	<b>1,685,446</b>	<b>(79,469)</b>
<b>Expenditures</b>				
Public Safety - Court System				
Salaries and Related Benefits	620,000	520,941	521,716	(775)
Contractual Services				
Evaluation/Testing/Treatment	948,600	1,011,540	1,027,994	(16,454)
Deputy Detail	95,000	75,000	74,171	829
Other Expenses	15,700	36,906	36,885	21
Rent	52,600	55,200	52,800	2,400
Insurance	10,000	10,000	8,551	1,449
Legal and Professional Fees	12,500	12,500	11,542	958
Utilities	21,000	22,060	19,769	2,291
Materials and Supplies	34,000	30,500	25,864	4,636
Lodging and Registration Fees	35,000	59,700	59,187	513
Grant Expense	150,300	100,300	81,779	18,521
Capital Outlays	10,000	5,000	4,168	832
<b>Total Expenditures</b>	<b>2,004,700</b>	<b>1,939,647</b>	<b>1,924,426</b>	<b>15,221</b>
<b>Net Change in Fund Balance</b>	<b>\$ (194,470)</b>	<b>\$ (174,732)</b>	<b>(238,980)</b>	<b>\$ (64,248)</b>
<b>Fund Balance, Beginning of Year</b>			<b>611,907</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 372,927</b>	





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Chief Judge and Judges  
of the Twenty-Second Judicial District Court  
Washington, St. Tammany Parishes, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Court (the Court), as of and for the year ended December 31, 2010, which collectively comprise the Twenty-Second Judicial District Court's basic financial statements and have issued our report thereon dated May 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit we considered the Twenty-Second Judicial District Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Twenty-Second Judicial District Court, management, and the Legislative Auditor of the State of Louisiana, and it is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

  
A Professional Accounting Corporation

May 25, 2011